

Notes From the Chairman

2012

Continental Rated #1 Agent – Again!

Continental Wins the SCS Talon Award for the Second Straight Year

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Steve Nelson, Chairman

Contact me directly at
212.845.3201

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We are pleased to announce that Continental Stock Transfer & Trust Company has once again been named the winner of the prestigious Talon Award, presented by Stockholder Consulting Services, Inc. (SCS) for 2011, in connection with its annual industry-wide performance and customer satisfaction survey of Stock Transfer Agents throughout the United States.

This is the stock transfer industry's *only* industry-wide customer satisfaction and performance survey, and Continental not only received the highest score in its tier of midsize agents, but Continental also finished first overall among all agents in North America. Continental's customer satisfaction composite score of 4.74 out of 5 is the highest score achieved by any agent over the past five years.

Continental scores an unheard of 100% in the SCS Customer Loyalty Index

We are grateful to our 125 customers who responded to the SCS survey. We fully understand that the survey creates an imposition on your time, but we are extremely proud that we have garnered your appreciation and loyalty. Indeed, Continental finished first overall in the SCS Loyalty Index, with a perfect score of 100% of our customers saying they would recommend our services to other issuers.

In these complex times of increased regulatory requirements, such as cost basis reporting, Say On Pay, and massive state backup withholding changes, Continental strives to get better each and every day. Be assured that we take your business and trust seriously, and we will continue to stay ahead of the pack in serving your corporate needs.

Continental ranks #1 in all the most important survey categories

For the past 9 years, SCS Surveys have found us to be the value leader and the lowest-priced major agent in the United States. Again this year, in addition to being named the overall customer satisfaction and performance leader, Continental was named the value leader among all agents sampled. Continental finished #1 in the category measuring reasonableness of fees relative to the level and type of services provided; and we finished #1 in charging the lowest fees and passing on the lowest expenses of any U.S. agent for the 9th straight year. Continental also finished #1 overall with regard to its Annual Meeting Planning and Support, #1 for Stock Plan Administration business, #1 for its Corporate Actions Business (servicing mergers, acquisitions, tender offers, stock splits and spin-offs), #1 for call center operations and accuracy of handling shareholder inquiries, #1 in handling shareholder records, #1 in handling restricted stock and original issuances, and #1 with regard to the accuracy of shareholder mailings, including proxies, dividends, statements, and 1099 year-end tax reporting. As you can see, Continental swept away the competition in virtually every meaningful category.

While survey results can sometimes be merely anecdotal, representing a snapshot in time in certain categories, the fact that Continental finished first overall in so many important and varied categories is a true testament to our dedicated and experienced staff, and to the cutting-edge technologies that continue to push us ahead of the pack. (continued p. 12)

Continental Welcomes Sonoco Products

We are pleased to welcome as a new customer Sonoco Products Company (NYSE: SON), a \$4 billion global manufacturer of consumer and industrial packaging with more than 17,000 employees in 34 countries. Sonoco is always among the leaders in corporate responsibility rankings, and we are proud and pleased to have Sonoco as a customer. We look forward to working with Ritchie Bond, Jay King, Elizabeth Kremer, and their outstanding staff.

Isomet

We're pleased when clients recognize and appreciate our efforts, and occasionally they let us know. Here's a recent letter from a happy new customer.

Isomet Corporation is the world's leading producer of acousto-optic (AO) devices

For over 20 years our company was with another stock transfer agent. In 2010 we switched to Continental. I could not be more pleased. From our first contact with Richard Kretz through to our most recent contact with Bruce Jacoby during the run up to our annual meeting, everyone has been very professional as well as personable.

In the past everything about the annual meeting was a mystery. At our previous agent we had one contact. At Continental the entire team was available. I was assisted at every turn. Calls and emails were promptly handled. Members of each team were copied on every email. I felt as if I had a small army working for me. In addition to Richard and Bruce, that army included Leslie DeLuca, Vivina Mendez, Cindy Kaim, Chiley Holder, Gail Schweda, Chris Satula, Luther Groce, Maribel Colon and Silvia Cauci.

Every bit of educational information I needed was provided. Last year there were regulatory changes that might have affected the proxy votes. Continental gave me suggestions. I paid attention, implemented the changes and was delighted that the suggestions solved the problem.

I haven't mentioned your fees yet. They were the reason I first looked at switching. I ended up with three times the service at half the price.

Things went so smoothly at the annual meeting I am almost looking forward to the 2011 annual meeting.

*Sidney L. Neely
CFO, Secretary
Isomet Corporation*

First With the Best

Our leading-edge technology makes things easier for you and your shareholders – and saves you money.

Continental Sponsors the Rodman & Renshaw Annual Global Investment Conference



Steve Nelson is shown greeting participants at the Rodman & Renshaw Conference in New York City.

Continental was pleased to be a Gold Sponsor at the Rodman & Renshaw Annual Global Investment Conference held in New York City from September 13 through September 15, 2010. Continental and Rodman & Renshaw have worked together closely on numerous IPOs and Secondary Public Offerings, as we each have dominant positions in the mid-cap space. More than 500 companies from all industry groups from around the world presented at the conference, and more than 50 of Continental's issuers gave presentations. Prominent among presenting companies were a number of China-based stock transfer customers of Continental. During the conference, Continental was pleased to sponsor a luncheon at the Gilt Restaurant of the Palace Hotel in New York City. ■

All Things Considered, No One Can Beat Our Prices

Surveys prove it, and our customers know it.

Our pricing is clear, fair, and a great value. We don't charge you inflated minimums, exaggerated additional fees, or imaginary administrative extras. Our pricing is all-inclusive, and our statements are easy to read. Expect to save 40% or more with Continental.

Annual industry surveys repeatedly prove Continental is the agent offering the best overall value, as well as the lowest out-of-pocket expenses in the industry for nine consecutive years. It's not only what we promise, it's what we do. ■





The Continental Umbrella

Our suite of corporate services allows one-stop shopping for mid-size and smaller issuers.

Continental now offers: EDGAR/XBRL services. • Corporate printing of periodic SEC filings. Complete Stock Plan Administration Services provided by expert Certified Equity Professionals. All for 20% to 40% less than the competition. Bring all your corporate needs under the Continental umbrella. Call your administrator today.

Abandoned Property/Lost Shareholder Searches

EquiSearch: Searches are cost-free to shareholders

From time to time we are asked about our process for locating lost shareholders and their abandoned property. As previously reported, Continental has an agreement with EquiSearch Services, Inc. to assist our issuers in locating lost shareholders. EquiSearch plays a preeminent role in this field, acting on behalf of scores of high-profile Fortune 500 companies, as well as a number of large transfer agents. The company provides mandatory due diligence of unclaimed property under SEC Rule 17Ad-17, and also locates lost assets for shareholders no longer retaining evidence of ownership.

The mandatory due diligence entails two “mandatory searches” as outlined in the SEC Rule. These searches are cost-free to the shareholder. As part of its services, EquiSearch also offers your shareholders an additional search alternative, which is their asset-recovery program. The program locates abandoned property not found during the mandatory searches – and EquiSearch offers your

shareholders the opportunity to sell recently recovered assets at rates that are lower than customary brokerage charges, although EquiSearch charges for the asset recovery part of their services as well.

EquiSearch always offers your shareholders the opportunity to contact Continental directly to update their shareholder information and address, rather than utilizing EquiSearch’s recovery services. The advantage to the issuer in the location process, of course, is that any previously abandoned property is returned to the rightful owner, and not escheated in accordance with the dormancy periods prescribed by the various states. Accordingly, your escheatment charges are reduced, and most shareholders are reunited with their underlying assets.

Again, the search process is totally cost-free to the shareholder, as any processing fees charged by Continental are borne by EquiSearch. This in no way affects your shareholders’ ultimate recovery. ■

The Continental Toolbox

Internet access for issuers and shareholders alike – it's the tool that provides maximum benefit for you and your shareholders

Continental's reputation has long rested on personalized service, superb technology, and excellent value. We have often been first to the market with technology tools designed to make you more efficient.

At Continental, our continuing goal is to remain a leader in technology, and to provide you with the best available options.

We would like to highlight a number of these tools that represent both technology now in place that you should be using, and technology soon to be offered. Our continuing goal is to remain a leader in technology, and provide you with the best available options to help you and your shareholders with your informational needs in a convenient fashion.

ContinentalLink Enhancements – #1 Rated for Shareholders' Online Access

For the past six-plus years we have encouraged you to take advantage of our ContinentalLink services. Today, more than ever, you should consider its use. The service has been upgraded, and a number of fine enhancements have been installed to benefit users. Among these are:

- Real-time updating of information – you will see updates to all mainframe entries and changes hourly, each time you log on to the system.
- User-defined customization – you can customize the “look” of the site to reflect your corporate identity.

- Enhanced Proxy information – you can view the vote status of individual shareholders.
- Customized user sign-in – your shareholders can create their unique, secure ID.
- Portfolio feature – your shareholders can view all their issues being managed by Continental under a common taxpayer ID.

Sungard Stream

Continental has long valued our relationship with SunGard, the technology leader in stock transfer technology. This partnership has allowed us to offer flexible and secure solutions which always meet the changing and increasingly difficult regulatory environment. For years we have depended on

With Stream you get more choice, better customization, and more flexible access to the information you need.

SunGard's CSSII mainframe platform to service the needs of our clients.

The day to say good-bye to CSSII is now in sight. Stream, SunGard's new, web-based transfer agent solution, is on the horizon, and has already been tested by several users. This system promises to be the industry leader – by far – and will offer outstanding flexibility and performance, advanced reporting, and easier 24/7 secure Internet account access. New features are too numerous to list here at this time, but key features include:

- Real-time editing, posting, reversals, and reporting.
- User-defined report writer.
- “As of” date reporting and processing.
- Centralized name and address file database.
- Dashboard views.

As a client, you can expect more choice, better customization, and more flexible access to the information you will require. Stream is a real step forward, and Continental looks forward to offering its capabilities to you. We will keep you abreast of developments on this topic.

AccuBasis – Cost Basis Solution

Your shareholders may find it difficult to calculate the cost basis of your shares due to multiple transactions or splits. If this is the case, AccuBasis solves the problem by providing the tools needed to get the answer quickly and accurately. Continental can arrange to provide an AccuBasis link available to shareholders signing on to our web site, continentalstock.com. Contact your account administrator for more information on this helpful service.

Oplink – Paperless Option Exercises

Oplink is another Continental innovation designed to speed and streamline share movement for option exercises and original issuances by employing electronic transmission through the Depository Trust Company's DWAC system. Oplink will ensure that your instructions are received and integrated into our secure operating system, and processed in a timely fashion.

At Continental, our continuing goal is to remain a leader in technology, and to provide you with the best available options.

We encourage all clients to begin using this service. Do away with the cumbersome faxing of paper. Contact your account administrator to get started today. ■



With Continental you get all the tools and the people who make it all work.

Proxy Season: Continental Rated #1 Overall for 2011

The 2011 Annual Meeting season has come to a close, and once again we are pleased to report that we handled more meetings than ever this year, and we did so with virtually flawless execution. Confirming our leadership position in handling your Annual Meetings, Continental was rated #1 overall by SCS for 2011 in Annual Meeting planning and support. Clearly, our highly experienced Proxy Department, led by Gail Schweda and Bruce Jacoby, gets credit for a job well done. Your Annual Meeting is your most important event of the year, and we at Continental treat it with the heightened attention and expertise it deserves. Navigating through the proxy process is always challenging, and this was particularly true this year when all issuers had to deal with the nuances and burdens of Say on Pay, Notice & Access, as well as repeal of Rule 452's discretionary voting for directors. Notwithstanding the challenge of handling hundreds of shareholder meetings nationwide for our more than 1,100 issuers, the proxy season proved to be an unqualified success.

How We Do It, And Why Our Proxy Services Are The Best

Our people and our tools make the difference

Each year, Continental's proxy services are determined by industry surveys to be the best in class. This year was no exception, with SCS rating us #1 again. There are several reasons for this.

First, our staff certainly is a primary ingredient of our success. We employ dedicated, full-time proxy specialists.

Second, the way we go about the process is different. While your administrator can coordinate your meeting needs with you, the oversight and servicing of your meeting is put exclusively into the hands of our Proxy Department specialists. You and your staff deal only with knowledgeable personnel who are always available when you require them the most. There is no guesswork here.

Our Annual Meeting Guide will get you there

We also provide tools: The primary one is our *Annual Meeting Guide*. This booklet "spells it all out" for you in a "step-by-step" manner. Our updated *2012 Annual Meeting Guide* will be sent to all our clients shortly.

More importantly, our proxy services are supported by technology enhancements in our Sungard processing system. In addition to the usual mailing and tabulation services, we are able to offer a number of other critical capabilities, including:

- DTC linkage.
- Electronic Broadridge linkage.
- Electronic distribution of Annual Meeting materials through ContinentaLink, our full-service Internet product for issuers and shareholders.

- Householding of shareholder positions.
- Intuitive Internet voting.
- Telephonic voting.
- Incorporation of Employee Plan share positions.
- Reconciliation of "over-voted" positions.
- The variety of services previously cited as now required under Notice & Access, including fulfillment, online document conversion, and Web hosting.
- Say on Pay complex tabulation.



Continental's technology keeps us (and you) out in front.

Our technologically advanced ContinentaLink distributes your materials electronically, with a link to your annual report and proxy statement. This option applies only to consenting shareholders.

Continental stands ready with our partners to make certain that your upcoming annual meeting, which is likely your most important corporate event of the year, is handled seamlessly, efficiently, and successfully by all involved. Our partners in this endeavor are: Morrow & Company (proxy solicitation); Alliance Advisors, LLC (shareholder meeting consultancy); Scotti Graphics, Inc. (printing of Notice & Access materials); and EZ-Online Documents (web hosting and document conversion); and The Fitch Group (corporate printing, periodic reports, etc.). ■

FREE

Try Our High-Value ContinentaLink Suite of Internet Services

ContinentaLink is a "must have" if you and your shareholders want to maximize the benefits of our technology.

If you're not already using ContinentaLink, this free trial offer removes the last reason not to give it a try.

Sign up now and *get the first three months of ContinentaLink at no charge. Absolutely free.*

For more information, and to sign up, contact Les Deluca, Vice President, at 212.845.3215 or ldeluca@continentalstock.com.

Industry Profile/Regulatory Update

More of the same – unfortunately.

Industry Overview

The past year continued three overarching trends which have dominated the stock transfer industry for several years: Further consolidation among the large agents, DTC's heightened barriers to entry for non-exchange traded issuers, and Broadridge's monopolistic tendencies manifesting themselves in ever-increasing ways. Continuing the consolidation trend which has been so prominent in our industry in recent years, Computershare announced earlier this year it was acquiring the shareholder servicing business of BNY Mellon, thereby uniting the #1 and #2 transfer agents in the United States. While the Antitrust Division of the U.S. Department of Justice opened an antitrust investigation into this proposed

Computershare seems to feel that bigger will somehow make things better.

merger, DOJ recently announced that it would not block the merger, now expected to close at year end. While both organizations have struggled mightily to assimilate prior industry acquisitions and mergers, Computershare seems to feel that bigger will somehow make things better. While this may improve Computershare's bottom line, it is likely to continue their trend of focusing their resources on their large mega-accounts while diluting services to midsize and smaller issuers. Net result: After the merger is consummated, Continental will be the 4th largest agent in the United States, and Computershare will be much, much larger and more focused than ever on their very largest accounts.

If the SCS surveys for the past several years are any indication, the top 4 transfer agents, while continuing to grow larger and focus their resources on their very largest accounts, have significantly diluted their level of service, yielding lower survey ratings and resulting in rampant customer dissatisfaction. That is because the mega-agents continue unsuccessfully to try to be all things to all people. While they try to handle huge accounts and small accounts together, the smaller accounts suffer badly. Continental, on the other hand, has been unique among the top 5 agents in

While the mega-agents try to handle huge accounts and small accounts together, the smaller accounts suffer badly.

that we have been consistently true to our business model and philosophy – that we can only provide first-rate service to all our issuers if we focus exclusively on our niche of midsize and smaller issuers. Unlike the mega-agents, we refuse to make any of our issuers stand in queue behind the larger mega-accounts, which unfairly divert resources away from other worthy issuers. We embrace the principal that all of our

accounts are entitled to excellent service, and we are committed to delivering it across the board and without exception. The SCS Survey results confirm for the second year in a row that our approach is the right one – for you.

DTC FAST Eligibility

The second major trend emerging in the past several years is the increased interference and anti-competitive behavior of DTC. As I reported to you in my prior "Notes From The Chairman," DTC attempted to enact rules for its SRO relative to the eligibility of transfer agents in the DTC FAST System in 2008 and 2009. This became critically important once DTC and the Exchanges engineered mandatory DRS eligibility for any exchange-traded issue in 2008. Through its SRO rules, DTC was attempting to regulate transfer agent eligibility and mandate ongoing oversight of transfer agents by DTC, even though the SEC is granted exclusive jurisdiction by Congress to regulate transfer agents.

In my role as a member of the Board of the Securities Transfer Association (STA), and as Chair of their Legal Committee, I had spearheaded the efforts of the STA to quash DTC's proposed Transfer Agent Rules, which would make DTC the

Apparently, DTC has concluded that servicing small issues is not economically viable.

de facto regulator of transfer agents. While those proposed rules appeared to be dead during the Bush administration, they were somehow resurrected by DTC, and the SEC staff subsequently passed them in August, 2009. The STA immediately filed a petition seeking full Commission review of this abuse of its delegated authority. That petition is still pending. However, under SEC Rules, our petition has the effect of staying the implementation of these new DTC Rules as they relate to transfer agent eligibility in the DTC FAST System.

However, in a related move, which appears to be mainly a manifestation of DTC's economic interests, DTC has now chosen to change the eligibility rules and requirements of issuers in the DTC FAST System. While DTC had originally promised the SEC and industry groups that admission of all exchange-traded issues into the DTC FAST System was to be followed by admission into FAST of Bulletin Board issuers and perhaps Pink Sheet issuers, DTC reneged and now has virtually halted eligibility for non-exchange traded issues seeking FAST eligibility. DTC seeks to hide behind the notion that this wholesale denial is to comply with its risk management obligations under the U.S. Patriot Act, OFAC, BSA (Bank Secrecy Act) or AML (anti-money laundering). It is apparent, however, that DTC has concluded that servicing

small issuers is not economically viable. It appears that they are, therefore, seeking any excuse or cover to deny eligibility to small issuers. The net result is that while the SEC has expressly committed to enhancement of the clearance and settlement system by making as many issuers as possible electronic, DTC continues to obstruct this expressed mandate. Likewise, while the Commission says it wishes to foster capital raising and free trading of small issuers, DTC's actions have hamstrung these expressed goals, resulting in hundreds of issuers not trading effectively.

In my role with the STA, I have been meeting with the staff of the SEC and DTC to break this logjam. In February of 2010, I met with Chairman Mary Shapiro to discuss the DTC eligibility problems faced by small issuers and the breakdown of the capital markets for these issuers. Following up on that meeting, in March of 2010, after much resistance from DTC, representatives of the STA and the SEC met with DTC in New York, seeking not only to solve the issues relating to transfer

DTC's actions have hamstrung these expressed goals, resulting in hundreds of issuers not trading effectively.

agent eligibility, but also to encourage DTC to come up with an eligibility review process relative to applications for DTC FAST eligibility.

At the end of June, 2010, we were able to engineer a meeting between DTC, the SEC, clearing brokers, issuers, and representatives of FINRA to see if we could solve the problems surrounding small issuer eligibility in the DTC FAST System, which has led to clearing brokers refusing to accept for trading and deposit all non-exchange traded issues which are not DTC FAST eligible. This action by brokers and clearing brokers was precipitated by FINRA releases reminding brokers of their duty to perform "know your customer" due diligence on issuers which they trade or accept for deposit.

Instead of doing their own due diligence, brokerage firms concluded that they would make DTC FAST eligibility the imprimatur of respectability and the linchpin of their due diligence reviews. That June 29, 2010, meeting in Washington, at the SEC, fostered discussion of many proposed changes on the part of DTC in the issuer FAST eligibility process, but to date DTC continues to drag its feet; and it has not modified its eligibility review process in any meaningful way.

The net result is that non-exchange traded issues continue to have applications for eligibility into the DTC FAST system routinely denied. Even more troubling is that DTC has now started denying eligibility retroactively for non-exchange traded issues which have been in the DTC FAST system for many years; and all the while DTC provides no explanation for the issuer's removal from FAST eligibility. There is no right of review and no right of appeal. (continued p. 8)



We Still Answer the Phone in Person – That's Why We Are Rated #1 for Call Center Operations and Service

Continental's new cutting-edge telephone system

Last year we installed a new, cutting edge telephone system – one that has every bell and whistle imaginable. It offers the ability to answer telephone calls more efficiently, and it allows for the tracking of every telephone station in our facility with a variety of metrics, such as how long it takes to answer each and every call, how many calls are transferred, what geographic region calls originate from, and which issuer they relate to. Most importantly, this new system allows us to customize 800 lines established for individual issuers with tailored individual messages, which can be updated periodically. Accordingly, issuers can release earnings results or communicate with their shareholders on other important matters with these tailored messages. Finally, the new telephone system allows us to monitor calls and record calls to ensure that each and every call is handled courteously and efficiently.

After all, no one likes excessive use of automated voice response and voice mail; and we at Continental will simply not follow the mega-agents and their use of massive call centers located in offshore nations to field important and sensitive shareholder calls. Our new system ensures that knowledgeable professionals with expertise in the specific subject matter of the call are answering each and every call, and that they do so promptly. We believe absolutely that the reason Continental is rated the #1 agent in North America is directly tied to the fact that we will simply not accept mediocre telephone service in dealing with your shareholders. The linchpin of any successful shareholder servicing program is telephone service, and we believe that our new system places us light years ahead of our competitors by offering personalized and tailored service for each and every call. ■

Industry Profile/Regulatory Update (continued from p. 7)

During the past several months, Continental has become even more actively engaged on behalf of its issuers in trying to facilitate DTC FAST eligibility. In one case, the issuer was retroactively evicted from the FAST System, and has now met every required hurdle that DTC has imposed to return them to FAST eligible status – yet they are still being excluded. They have even gone to the Commission for relief. It was in this context that I was invited to participate in the Microcap Roundtable organized by the SEC in Washington on October 17, 2011. There were three panels at the Microcap Roundtable which was hosted by Chairman Shapiro and many of her senior staff. The first panel, on which I participated, was focused on problems in the clearance and settlement system, particularly relating to DTC eligibility for small cap issuers. While most of the panel discussions, indeed most of the day, was allocated to coming up with better ways for uncovering and reporting fraudulent activities by stock promoters, unworthy issuers, and other Cede intermediaries, I tried to focus the discussion on the serious issues outlined above relating to DTC FAST eligibility and the total breakdown in the trading markets for small and mid-sized issuers. I reminded Chairman Shapiro of our prior discussions in her office, in 2010, about this logjam, but I must confess that as far as I could tell, no real momentum was generated at this panel regarding a better eligibility process for non-exchange traded issuers.

However, I have since had independent discussions with the General Counsel of DTC, as well as their outside counsel, and their new Head of Risk and Compliance, and am hopeful that we may be able to arrive at a solution to many of the problems that our issuers have encountered regarding DTC FAST eligibility and the process surrounding it. You can be assured I will keep you apprised of any positive developments on this front.

Broadridge

The third continuing trend in our industry relates to the overreaching and overcharging of the Broadridge monopoly. As you know, Broadridge has had a monopoly in providing proxy distribution and related services for banks and brokers

Broadridge agreed to pay all such financial institutions “rebates” (called kickbacks by some) for the privilege of having their business.

relating to “street” name holders, which accounts for more than 75% of all beneficial shareholders. Broadridge obtained this monopoly with the blessing of the SEC, and has exclusive contracts with virtually every bank or broker on the street to handle their proxy distribution and voting. To obtain this monopoly position, Broadridge agreed to pay all such

financial institutions “rebates” (called kickbacks by some) for the privilege of having their business. Because Broadridge has a monopoly stranglehold on the street business, they charge exorbitant fees – which, amazingly, are set by the NYSE, which is itself owned by the same banks and brokers who are receiving these Broadridge “rebates.”

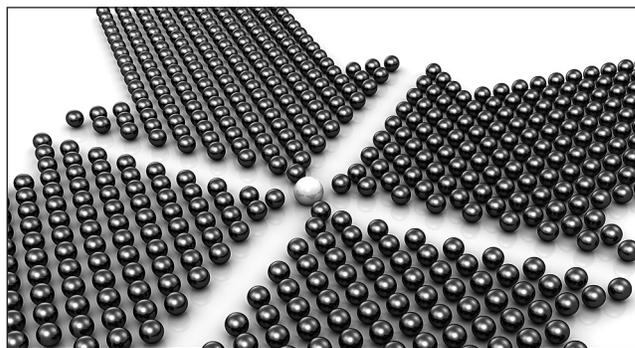
Broadridge has abused the system even further by charging illusory fees for “managed accounts” and suppression fees by which they essentially charge for not mailing to certain accounts. A recent STA White Paper concluded, after analyzing the accounts of all major transfer agents, that Broadridge charges more than 40% more than transfer agents do for

Broadridge grossly overcharges issuers for their street-side proxy distribution, and issuers are left with no recourse but to pay.

the same mailing and distribution services – and that was as compared to all transfer agents, who typically charge 20% to 40% more than we charge.

Net result: Broadridge grossly overcharges issuers for their street-side proxy distribution, and issuers are left with no recourse but to pay. This is one of the reasons why the SEC has embarked upon a change of “proxy plumbing” rules, with an eye toward allowing open market competition and open access for issuers to their “street” shareholder lists.

If you are tired of paying Broadridge’s ridiculous monopoly-generated fees, please register your concerns with your elected officials and/or the SEC. ■



Find That Form

Our web site is a great place for issuers and for shareholders to find all the pertinent forms they need. Just go to Continental Forms Central on our web site, where we keep a selection of shareholder forms, the proprietary forms Continental needs for issuer and shareholder transactions – and there’s a section that links to all the necessary IRS forms. ■

Did You Miss This Letter?

In case you missed our letter/e-mail blast re:
Broadridge's business for registered shareholders,
here is a reprint. Please don't miss it.

Dear Valued Customer:

As Annual Meeting season approaches, we thought it would be a good idea for you to focus in advance on a few significant issues. While Broadridge has been aggressively shopping their services for proxy distribution to both registered shareholders and "street" name holders, it is clear that you will be best served by leaving all your Annual Meeting needs under one roof at Continental. The reasons for using Continental for everything are straightforward and compelling: The process will be more efficient under one roof, and you will save significant dollars as well.

Let me elaborate: Continental, as your transfer agent, already has all of your registered shareholder records. We are the #1 rated stock transfer agent, and the lowest priced agent in the U.S., according to the only industry-wide customer satisfaction and performance survey. By using Broadridge to handle proxy distribution to your registered holders, you would be needlessly bifurcating the Annual Meeting process. Under that scenario, we would have to create and send your record shareholder files to Broadridge, for which we charge our standard fees. Broadridge then charges you a loading and project management fee of at least \$2,500.00. There are additional Broadridge per item distribution fees and significant add-ons, including web hosting fees, storage fees, Notice and Access fees, etc. Bottom line: If you were to opt to use Broadridge for distribution to your registered holders, you would pay way more than you should, and way more than you would pay us to keep these functions under one roof at Continental.

Indeed, a recent industry-wide study and STA White Paper (see www.stai.org) found that Broadridge on average charges 42% more than transfer agents do for the same annual meeting distribution services; and that is compared to all transfer agents, and not just to Continental, which is the lowest priced among all agents in North America for the past 8 years! This is precisely why we can promise to save you at least 20% versus Broadridge, depending on your size.

More importantly, Continental will provide you with a better product: We will provide our #1 rated service; we will make address changes for your shareholders (which Broadridge does not do), thereby avoiding needless escheatment costs; we will avoid the duplications and complaints occasioned by using Broadridge for the registered side; and we will provide Notice and Access as well as web hosting as part of our suite of Annual Meeting Services – all for at least 20% less than Broadridge.

The Managers of our Proxy Department, Gail Schweda [Tel: (212) 845-3241], Bruce Jacoby [Tel: (212) 845-3240] and Les DeLuca [Tel: (212) 845-3215], would be happy to answer any questions you may have in this regard.

Very truly yours,

Steven G. Nelson
Chairman of the Board And President
SGN/ecs

Our Account Execs Play Key Roles for Clients at Continental

Service to our clients is the #1 job at Continental. This means that all client requests are handled in an accurate, timely, and cost-effective manner – each and every day. It also means that clients learn about the best methods and understand the services Continental can provide to improve processes and shareholder relations.

Les DeLuca leads Continental's team of relationship experts responsible for "service." In this issue, we'd like to introduce Les and two of his account executives who play critical roles for Continental and many of our valued clients. These are people you should get to know.

Leslie DeLuca, Vice President and Head of Account Administration

With almost 30 years in the business, Les DeLuca's résumé seems to shout "industry experience."

Les believes that his experience with different vendors and responsibilities give him a decided advantage in dealing with clients. "Throughout my career, I've had a chance to learn and grow. There's hardly a situation I haven't seen before, and this helps me in many respects in working with my staff and clients," he says.

Les' career path began at Morrow, where he started as an information agent, and later was promoted to a position as an account executive and team leader.

Over the next 20 years, Les worked at Manufacturers/Chemical Bank, Bank of New York and Georgeson/Computershare. During this period, he broadened his experience by assuming leadership positions in corporate actions, stock plan services, proxy operations, proxy solicitation, call center management, and securities processing services sales, an assignment calling for a high service IQ. It is during this time that he began to more fully appreciate the value client and customer service had in the industry, and the importance of delivering quality service.

In 2006 Les joined Citibank where he worked in Depository Services. There he was responsible for ADR services, a job that allowed him to work with numerous international issuers, including Nestlé, Nokia, and Group Danon. He also developed relationships with global account managers and European and Asian agent banks. Later, he was Citibank's primary intermediary with Computershare, supporting the international proxy/information agent services, and the corporate actions and print/mail services, including the launch of global direct stock purchase plans for ADR issuers.

Continental was happy to recruit Les in 2009. Today, he works closely with several of our key clients, and provides direction to our Account Administrative staff.

His résumé includes membership in the National Association of Stock Plan Professionals (NASPP), The Securities Transfer Association and SIFMA's Corporate Actions Division. ■

John Comer, Vice President, Account Administration

Clients know that John gets the job done.

John brings a 35-year history of growth and successful experience to his role at Continental, where he is responsible for several of our key client relationships.

John joined Continental in 2006. Previously he spent 13 years with Mellon Investor Services as a Vice President/Client Relationship Executive responsible for client relationship management and business development. During these years he developed expertise in Annual Meeting coordination, corporate actions administration, public and secondary offerings, stock splits, and dividend services.

Over the years, John has developed an outstanding service record, fulfilling the needs of a diverse client base. His overall experience and work ethic blends well with Continental's service culture.

John is a Brooklyn native. He has a B.A. from Niagara University and an MBA from Fordham University. ■

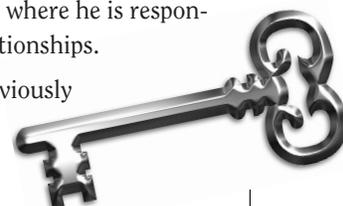
Maggie Villani, Vice President, Account Administration

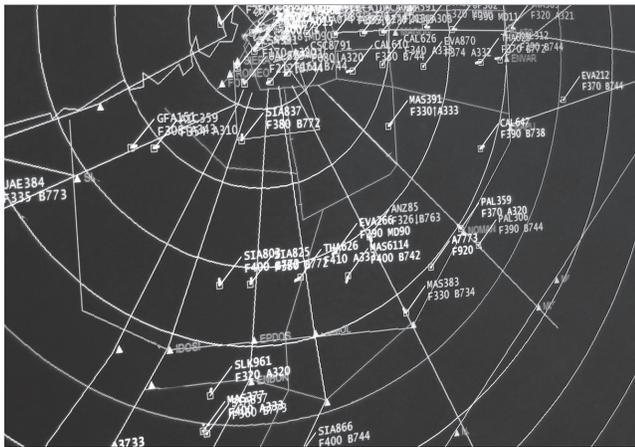
Maggie Villani joined Continental in 2010, bringing over 25 years of industry experience at the executive management level to the administrative team.

Maggie's career began at First Fidelity Bank where she worked on tender offer and merger transactions. Later, her career took her to Registrar & Transfer, Equisearch, and The Bank of New York, where she held positions ranging from sales to relationship management.

Throughout her career Maggie has developed a reputation for expertise in compliance and regulatory issues, and a commitment to client education through one-on-one interactions and coordinated public forums. Her dedication to excellence in customer satisfaction fits well with Continental's service culture.

Maggie has been a member of many industry-related organizations, and has sat on the Board of the Mid Atlantic Securities chapter. Maggie enjoys traveling throughout Europe and collecting vintage dolls. ■





Are You Looking for Sophisticated Market Surveillance Regarding Trading in Your Stock?

If so, we recommend that you contact Ipreo, an alliance partner of Continental.

About Ipreo

Ipreo is a global leader in the provision of market-leading intelligence, robust technology, and superior customer service to publicly listed companies and investment banks around the world. Built on a legacy of experience and a thorough understanding of the capital markets, Ipreo provides critical insights and flexible solutions to help clients run better investor relations programs.

Superior Intelligence

Ipreo is a sophisticated capital markets and corporate analytics firm. Their extensive experience in cross-asset class surveillance, investor targeting, buy-side perception studies, transaction analysis, and predictive analytics enables Ipreo to offer the most robust suite of consultative investor relations services available to the corporate community.

IR Workflow Solution

Ipreo's BD Corporate platform offers the most accurate and comprehensive database covering the global investment community. BD Corporate includes global, multi-asset class data, as well as advanced investor screening capabilities, intuitive search functionality, institutional contact data, and robust ownership information.

For more information, contact Connor Hartley, Senior Marketing Manager, Ipreo, 1359 Broadway, 2nd Floor, New York, New York 10018, 212.849.5194, e-mail: connor.hartley@ipreo.com. ■

DRS: Do You Know What It Is?

DRS (The Direct Registration System) provides for the electronic direct registration of securities in an investor's name on the books of the transfer agent or issuer. It allows shares to be transferred between a transfer agent and a broker electronically through the industry's DRS Profile System.

Currently, investors hold their shares either in "street name" with their broker, or they are "registered shareholders" and have a certificate.

DRS provides investors with an attractive alternative. With DRS, investors can now elect to have their holdings registered directly on the issuer's records in book entry form. Instead of having to safeguard valuable certificates, shareowners will receive a statement from the issuer or the transfer agent reflecting their ownership. They will also receive communications directly from the issuer or agent in a timely manner. The investor can subsequently transfer the DRS book-entry position to a bank or broker/dealer, or vice versa. If your company wishes to become a DRS "participating" issuer, simply notify your account executive. ■

Did You Know?

Continental is now recommended by many bulge bracket investment banking firms as Transfer Agent and Registrar for their IPO customers. These firms include JP Morgan Chase, UBS, Morgan Stanley, Goldman Sachs, Deutsche Bank, and Credit Suisse. They recommend Continental not only because we are the #1 rated agent in the country, but also because we offer expedited, personalized service to the back offices of these investment banks and to their issuers. ■



Get Our Stock Plan Administration Brochure

If you haven't looked into our Stock Plan Administration services yet, now is the time to do it. You'll get the same high level of care, expertise, and economy as you get with our Stock Transfer Services – and you'll get our first-in-class technology. Call Richard Kretz, Vice President Sales and Marketing today (866.333.0611) for a free copy of our Stock Plan Administration brochure. No obligation of any kind. Get the facts, get the figures, and then compare. We think you'll agree it's time to go with the best. Go with Continental.

SPACS Are Here to Stay

In the years between 2005 and 2008, Continental was dominant in the IPO SPAC (Special Purpose Acquisition Company) market. During that period, Continental handled more than 140 SPAC IPOs which raised more than \$15 billion, constituting a market share of over 85 percent. In concept, the SPAC is essentially a blind pool by which funds raised are placed into a trust pending the Board's search for an acquisition of a private company target, which is then acquired and merged into a SPAC using the IPO proceeds. There is generally a 24-month window to complete a business combination. If a satisfactory target cannot be identified and gain shareholder approval, all assets in the trust are returned to the public shareholders with accrued interest. Shareholders objecting to any proposed business combination can opt instead to obtain their pro-rata share of the trust fund.

Many doubted the soundness underlying the SPAC model in the initial stages. Then bulge bracket firms, such as CitiGroup, Lazard, Deutsche Bank, and JP Morgan Chase, jumped in with both feet. The size of the SPAC IPOs quickly increased from the initial \$50 million range up to \$1 billion per transaction.

When the recent financial crisis hit in early 2008, many worried about the underlying soundness of SPAC trust fund proceeds, which were held at various bulge bracket depository institutions. However, even in the most challenging times, the SPAC concept proved to be a risk-averse and secure investment. All trust funds held in SPAC trust accounts have remained sacrosanct, with no monetary losses in trust funds; and, even funds maintained at Lehman Brothers at the time of their bankruptcy filing, were moved to other institutions without any monetary losses whatsoever.

Scores of SPAC IPOs have resulted in sound business combinations, and many others have been forced to liquidate, with investors getting back their pro-rata share of the trust assets. Ultimately, this very Darwinian process of weeding out good deals is, we submit, a good thing.

In the past two years or so, we have seen a resurgence in the SPAC market, and several investment banks and issuers have altered the product to make it more attractive to investors and more facile in the business combination stage. Many newly generated SPAC IPO offerings have been recently consummated, and many more are in the pipeline. We are pleased to note that Continental has been named as Transfer Agent and Trustee on virtually every SPAC IPO filed in this new generation of SPACs that has emerged since early 2008. This past year Liberty Acquisition, which raised more than \$1 billion, successfully completed a business combination with Grupo Prisa of Spain. The SPAC model continues to adapt and change, but it is clearly here to stay. ■

Continental Rated #1 Agent – Again (continued from p. 1)

#1 in direct access to our senior management

Significantly, because we cut away layers of needless bureaucracy found so often at the largest agents, Continental also blew away the mega-agents, indeed *all* agents, in the important category of providing direct access to our senior management when you require it most. ■

What the Survey Means to You:

With Continental's lower fees and expenses, along with our superior array of services, you maximize every penny.

Build Shareholder Loyalty With Direct Stock Purchase Plan



A Direct Stock Purchase Plan (DSPP) offers investors and existing shareholders a convenient and low-cost method to acquire shares and reinvest dividends in your firm's stock.

A DSPP vehicle builds shareholder loyalty. Ask your account administrator how to begin – we're happy to assist, and can use your registered Plan or our bank-sponsored Plan. Please feel free to contact Mr. Mark Zimkind, Vice President and Director of Shareholder Relations, at 212.845.3287, or by e-mail: mzimkind@continentalstock.com. ■

Proxy and Annual Meeting Guide Coming Soon

Watch for the 2012 Proxy and Annual Meeting Guide coming in March. Print or online version – it's your choice. ■



Continental Stock Plan Administration Services Rated #1 for 2011 by SCS

We are proud to offer our own stock plan administration services. Our new team of Certified Equity Professionals has more than fifty years of combined equity compensation experience. We are committed to offering the same professional responsiveness and service excellence we offer with our stock transfer services.

Our stock plan administration services will offer direct access to CPA assistance with FAS 123(R) "equity compensation accounting," and financial related stock plan disclosures. As a package, our personalized, tailored services offerings are second to none in this space, and our technology and software are best in class.

We offer full outsourcing customized to your specific needs, we offer consulting on a project basis, and we even offer technical training for your staff. In short, we offer everything you could possibly require, and we do so with seasoned CEPs, CPAs, accountants, as well as securities law and corporate tax professionals. Our software is the recognized industry leader, is totally Internet-based, and can handle the most complex tasks. With our usual eye on regulatory compliance,

Continental's services are offered with the assurance of a SAS70 Type II certification.

Seamless integration plus tremendous cost savings

Preferred pricing packages for Continental clients will result in

small companies paying as little as \$25,000 for a total stock plan administration solution – including the software license fee and full outsourcing costs. Moreover, our platform will allow all of your equity vendors to work seamlessly together, for you.

Continental world-class service

For over 45 years, companies nationwide have trusted the experts at Continental to handle their sensitive shareholder records and Stock Transfer needs. These clients, today numbering over 1,100, and 2,500,000 shareholders, enjoy the benefits of Continental's technology, expertise, and cost advantage. Now Continental is delivering Stock Plan Administrative services with the same high level of care, expertise, and economy. And our highly specialized industry experts use the finest Internet-based technology.

Call now for more information and free brochure

We are happy to provide you with all the information you require, and we will be happy to offer you a very competitive bid for this service. Simply call us today at 800.204.5221, or call Richard Kretz at 866.333.0611 to learn more about the Continental integrated stock plan administration platform. ■

Are You Serious About Stock Plan Administration?

Continental's trusted experts lead the way.

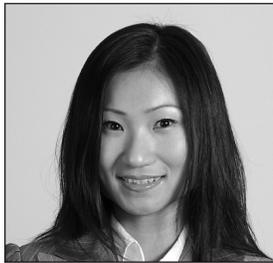
Ask for our free brochure.



Serious About Stock Transfer and Stock Plan Administration? Continental Leads the Way.

For over 45 years, companies nationwide have trusted the experts at Continental to handle their sensitive shareholder records and Stock Transfer needs. These clients, today numbering over 1,100 and 2,500,000 shareholders, enjoy the benefits of Continental's technology, expertise, and cost advantage. Now Continental is offering Stock Plan Administrative services with the same high level of care, expertise, and economy. And our highly specialized industry experts use the finest Internet-based technology. Call us today.

New Pre-Eschatment Lost Shareholder Account Location Program



Continental, in conjunction with Unclaimed Property Recovery & Reporting LLC (UPPR), recently initiated a new program designed to supplement SEC-mandated search efforts to locate lost shareholders. The Pre-Eschatment Location Program (PEL) uses

new software and a new process that invigorates our efforts to locate lost shareholders, identify decedent accounts, and locate actionable beneficiaries at an earlier stage than traditional lost shareholder searches. SEC-mandated searches are successful in locating known lost shareholders, but those efforts rarely look at dormant accounts, which are often in that status because the shareholder is deceased.

There is absolutely no cost to the shareholder for this search service

Our recently created PEL program will use a different search methodology to identify decedent accounts and next of kin. This is a purely voluntary program designed to assist shareholders and heirs in claiming property that was previously more than likely escheated. There is absolutely no cost to the shareholder for this service, as Continental's fees are paid by UPPR.

The result is lower eschatment costs to the issuer and fewer unhappy and lost shareholders

Shareholders or their heirs opting to utilize UPPR's recovery services will be charged a modest fee. However, each shareholder will always be afforded the opportunity to contact Continental if they wish merely to have their shareholder account updated on our records without using UPPR's asset location services. UPPR will apply a liberal fee waiver to maximize ease of handling. In the end, accounts located and cleaned up using PEL will result in lower eschatment costs to the issuer and fewer unhappy and lost shareholders. ■

Sales and Marketing

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www.continentalstock.com
transagt@aol.com

Continental Sponsors the Roth Capital Partners Investment Conference

Continental was pleased to be a Silver Sponsor of the Roth Capital Partners OC Growth Stock Conference held in Dana Point, California, from March 13-16.

The conference is one of the largest of its kind in the United States, bringing executives from over 400 growth companies together with over 1,000 investors to provide investors insight into small and mid-cap growth companies. ■

We Need Your E-Mail Information

It's very important that we maintain accurate, complete, and up-to-date records – including current e-mail addresses, and we need your help to do so.

We have requested that every client provide e-mail account information for key officers and personnel. Having this information allows us to communicate with you quickly and efficiently. This year we sent out many important e-mail “blasts” to our customers, and we want you to be on our e-mail list so that you stay current on important matters directly affecting you, such as Cost Basis Reporting (CBR), Say On Pay, and Proxy reform.



Let us know about officer changes, too

Many of our issuers have not responded with an e-mail address for their primary contacts, or we have not received updated information after officer changes. We would appreciate it if the requested information could be sent, either by letter, by fax at 212.509.5150 – or by e-mail to: cstmail@continentalstock.com. Please use “CSTT E-Mail Update” as a reference in the subject line. And if you need to edit the information we currently have, please do so as soon as possible. ■

Contact Continental

It's easy to contact us – for any reason.

Our web address is www.continentalstock.com.

Our general telephone number is 212.509.4000.

Contact Steven Nelson directly at 212.845.3201.

To receive future issues of this newsletter by e-mail, contact us at cstmail@continentalstock.com, and note in the reference line “CSTT – E-Mail – Forward to Steven Nelson.”

