

Notes From the Chairman



Letter From the Chairman

2015 proved to be a very good year for Continental across the board. Our share of the U.S. IPO market increased, and indeed we were the only major agent to increase IPO market share. Part of this growth was attributable to the revived market for SPAC IPOs – we handled almost two dozen of these last year, and the deal size has increased dramatically. And last month we were advised of our pending appointment as trustee and transfer agent for a \$1 billion SPAC. It has been more than 7 years since we last handled such a large SPAC offering: Liberty Acquisition and Liberty International. Continental has handled well over 90% of U.S. SPACs since 2005 due to our proprietary system and expertise in handling all phases of the SPAC offering, from closing the IPO through the business combination/redemption process and then the ultimate merger. 2015 was a year of revival for SPACs and so far 2016 bodes well for continued SPAC expansion.

Likewise, our corporate actions processing (both for our own customers and for those referred from Deutsche Bank, Citibank and Wells Fargo) continues to boom. We handled more than 200 corporate actions in 2015, and 2016 shows no signs of a letup.

Finally, the 2016 proxy season is well underway and will soon be over for a majority of our customers. This has been an extremely busy season for us, but Gail Schweda and her staff have once again done an outstanding job on behalf of our customers. This year we brought on Mark Tumulty and now Bernard Farragher, both very experienced in all phases of the proxy business, to augment our Proxy Department, which is always rated as the industry's best.



Steven Nelson
President & Chairman
Connect with me
directly at 212.845.3201

IN THIS ISSUE:

Letter From the Chairman	1
Get to Know Our Team	3
Welcome Our New Talent	4
Continental Stock Transfer & Trust's Senior Management Team	4
ContinentalLink Security Upgrade	5
Abandoned Property/ Lost Shareholder Searches	5
Employee Appreciation Day	6
2016 New Transfer Agent Customers Through April	7

The Regulatory Front

The SEC released its Concept Release and Proposed Rulemaking (Release No. 34-76743; File No. 57-27-15) for the stock transfer industry in December, and the STA filed its comment letter on April 15, 2016. The SEC is proposing a complete overhaul of transfer agent rules and operating practices for the first time in over 30 years. I would encourage you to view the STA Comment Letter as well as other submissions at **SEC.gov**. One thing is for certain – when final rules are ultimately enacted, stock transfer agents will have *far* more regulatory requirements, which will require more personnel and enhanced systems. Unfortunately, the costs for compliance will be borne by our issuer customers as increased regulation always equates to increased costs.

DTC

On the DTC front, I previously reported to you that we were expecting final agreement between the STA and DTC on an initiative to vastly increase the number of non-exchange traded issuers in the DTC FAST electronic system. We at the STA had been working with DTC for more than 2 years on an agreement to admit all OTCQX issues automatically into FAST. This would mean that these issuers would no longer have to worry that clearing brokers would not accept their shares for deposit and trading, which has happened so often to small issuers in the past.

Unfortunately, I am sorry to report that DTC backed out of this deal with the STA, so we are back to square one. We are now proceeding through the SEC staff in the hope that we will ultimately succeed on this front.

Broadridge

To no one's surprise, Broadridge submitted its own Comment Letter relative to the Concept Release encouraging the Commission to impose upon transfer agents as many regulatory requirements as possible. In my view, this is all part of their long-range plan to put transfer agents out of business, so that Broadridge can expand their monopoly and predatory pricing wherever possible. Neither the NYSE nor the SEC has stepped in to restrict Broadridge's outrageous charges for proxy distribution, and now Broadridge sees the opportunity to expand its reach.

We receive scores of complaints from our issuers about Broadridge's excessive charges but there is simply no recourse at this time. For those issuers who are fed up and ready to act, we would encourage you to reach out to Neils Hoch at the Shareholder Communications Coalition at **shareholdercoalition.com** or 202.624.1461.

Final Thoughts

While issuers and their transfer agents are constantly challenged by the two monopoly monoliths – DTC and Broadridge – resulting in higher charges and bureaucratic hassles, all is not bleak. The Executive Committee of the STA and I continue to work with the Commission to force DTC to act as a government utility to serve the interests of the SEC and the Clearance and Settlement System. Likewise, we continue to encourage the Commission to provide for an accurate and reliable proxy voting system rather than the deeply flawed system that has been in place for decades. Controlled by Broadridge, the current system does not ensure the prereconciliation of broker votes and, therefore, leads to overvoting and other abuses that severely undercut the integrity of the entire voting system. The STA and the Shareholder Communications Coalition will continue to push hard for these essential reforms. ▼

“ I just wanted to thank the CST team for a job well done and well communicated to all of us. You helped make a very confusing and exhausting process easier to understand and digest! Thanks again for your efforts. ”

Scott L. Mathis | Chairman & Founder
Algodon Wines & Luxury Development Group, Inc. (VINO)

Get to Know Our Team

Isaac Kagan, Account Administrator

Isaac Kagan is our newest account administrator. He has been in the financial industry for 30 years, coming to Continental from another New York transfer agent. He also spent 11 years working for a brokerage firm. He graduated from Long Island University with a degree in economics.

Isaac has vast experience in foreign market transactions and ADRs. He has been a speaker at many transfer agent client conferences.

In his off time, he enjoys playing and listening to music. He is also an avid comic book collector with approximately 10,000 pieces currently in his collection.

Isaac has two grown children and lives on Long Island with a very forgiving wife and a cocker spaniel named Lacey.

John Reformato, Director of Plan Services

John Reformato has 16 years experience in the financial industry managing the Dividend Reinvestment Department for a New York transfer agent that was recently acquired. He joined Continental in 2015 and also has experience in new business development.

At Continental, John manages the Plan Services Team. He and his staff handle the review and execution of our clients' dividend reinvestment and direct stock purchase plans. If you are interested in setting up an investment plan, including employee purchase plans, John can evaluate your shareholder and employee base and guide you appropriately.

John is a graduate of Susquehanna University in Selinsgrove, PA, with a major in finance. He resides in Lyndhurst, NJ, with his wife, Melissa, and their dog, Franco. In his spare time, John enjoys golfing. ▼



Welcome Our New Talent

Continental Stock Transfer & Trust employs seasoned industry individuals to ensure quality service for our customers. We are pleased to welcome the following new team members who have joined us late last year and early 2016. We are excited to engage their industry expertise into our business.

- > Sharmin Carter, VP – Controller & Treasurer
- > Gwendolyn Burnett, Executive Secretary
- > Bernard Farragher, Proxy Administrator
- > Melissa Figueroa, Operations
- > Isaac Kagan, Account Administrator
- > Richard Emanuel Scott, Internal Auditor
- > Darren Thearle, Operations ▼

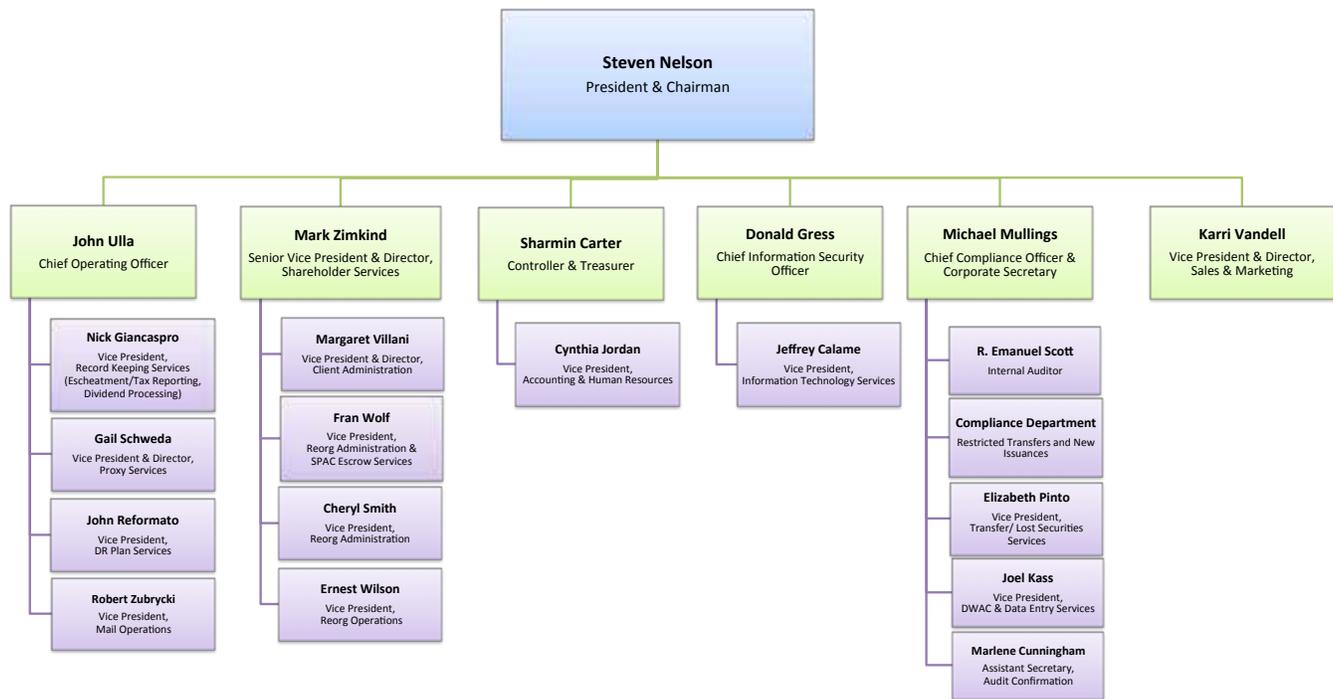
Sharmin Carter

Sharmin joined Continental in 2016 to assume the responsibilities of Controller and Treasurer. As head of the Accounting Department, she oversees the day-to-day financial activities of the company and its institutional relationships with banks and brokers. Her duties include control of funds movement and the timely preparation of financial reports.

Sharmin's experience in the financial services industry includes working for some of the largest companies in the United States such as AIG Asset Management Group and ING Investments. She possesses a broad range of managerial, organizational and financial reporting skills. Sharmin is a graduate of Bernard Baruch College with a concentration in accounting and is a licensed certified public accountant in the state of New York.

scarter@continentalstock.com
212.845.3220

Continental Stock Transfer & Trust's Senior Management Team



ContinentaLink Security Upgrade

We pride ourselves on keeping our shareholder Internet data safe and secure. Due to the necessity to maintain the data using the most up-to-date security patches, we installed a security update on our ContinentaLink application that affected a certain internet browser's capability to access ContinentaLink.

The update required the browser to use a more current version of the security used with secure websites. Because of that, older versions of Internet Explorer no longer work with our site. Shareholders accessing ContinentaLink need to be using IE version 10 or higher in order to access the site. The current versions of Google Chrome and Mozilla Firefox will continue to work after the security update.

Prior to making this change, we posted the following message on our site in December, 2015, to allow shareholders and our issuer clients enough time to upgrade their IE browsers, if necessary.

NOTICE: Beginning February 1, 2016, a security update will be made on this site and the site will no longer support Internet Explorer versions IE9 and older. You will need to have IE10 or newer to be able to access your account via this website. The current versions of Google Chrome and Mozilla Firefox will continue to work on the site after the security update has been made on February 1st.

Cyber Security is paramount to our data management programs. We will continue to implement the latest protection features as they become available, to ensure that shareholder information remains confidential and protected. ▼

Abandoned Property/Lost Shareholder Searches

Keane, Inc.: searches are cost-free to shareholders

From time to time we are asked about our process for locating lost shareholders and their abandoned property. Continental Stock Transfer & Trust has an agreement with Keane (formerly UPRR) to assist our issuers in locating lost shareholders. Keane plays a pre-eminent role in this field, acting on behalf of scores of high-profile Fortune 500 companies, as well as a number of large transfer agents. Keane provides mandatory due diligence of lost and unresponsive shareholders' accounts under SEC Rule 17 Ad-17. This process helps reunite assets with their owners.

The due diligence process entails two "mandatory searches" as outlined in the SEC Rule. These searches are cost free to the shareholder. As part of Keane's abandoned property services, Keane 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 Keane offers your shareholders the opportunity to sell recently recovered assets at rates that are lower than customary brokerage fees. Keane charges a fee for this asset recovery service.

As always, shareholders continue to have the opportunity to contact Continental directly to update their shareholder information and address at no charge, rather than utilizing Keane'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, SEC rule 17 Ad-17 search process is cost free to the shareholder, as any processing fees charged by Continental are not borne by the shareholder. ▼



Employee Appreciation Day

Continental's Collaboration Committee organized and held an employee event to recognize our team members' contribution to the company. The all-day event was held early February and began with team building exercises that were attended by the entire company, including the executive staff. The employees were encouraged to attend a health fair customized for the staff at Continental. The health fair included BMI measurements, nutrition, carpal tunnel analysis, dental tips, chair massages available for everyone, and an aesthetician for facials. A healthy catered lunch was offered to the entire organization, followed by an employee award presentation.

Each department was represented with an Employee Performance nomination. All the nominees were acknowledged at the presentation, with Maria Calco being selected to receive the Employee Performance Award. Maria was presented a certificate and an engraved company pen set. Congratulations to Maria! ▼



“ You all did a great job. I wanted to show our appreciation and what is better than a yummy hot cookie!!! Again thanks for all your help with collecting our votes and putting up with all my questions. This has been an interesting learning experience. ”

Kathy A. Fahrbach | Equity Bank

“ Thanks Kevin, everyone at Continental sure makes us feel valued. And I certainly know we're a tiny account, but you always make sure we're treated like your best and only client. ”

Eric Graham | CFO and General Counsel
Blueprint Capital REIT, Inc.

2016 New Transfer Agent Customers November Through May

- > Silver Run Acquisition Corp. – TX
- > Jensyn Acquisition Corp. – NJ
- > KLR Energy Acquisition Corp. – NY
- > PAVmed, Inc. – NY
- > Neffs Bancorp, Inc. – PA
- > Woodland Holdings – TX
- > Alamogordo Financial Corp. – NM
- > MGM Holdings, Inc. – CA
- > Lion Biotechnologies, Inc. – NY
- > Innocoll PLC – Ireland
- > Aquesta Financial Holdings, Inc. – NC
- > MNB Corporation – PA
- > Sunworks, Inc. – CA
- > Grand River Commerce, Inc. – MI
- > Englewood Lab, Inc. – NJ
- > Global Water Resources, Inc. – AZ
- > Senior Hospitality Corporation – CA
- > Liberty Shares, Inc. – GA

“ A successful financial advisor had asked one of his associates to handle the process on their side. I spoke with that associate earlier this afternoon and he said great things about how quick and simple you and your team made the process. Thanks for being so responsive and for making our shareholder very happy. ”

Patrick K. Gill | CEO
Grand River Bank





At your side. On your side. You can trust Continental to be your partner.

The relentless pursuit of excellence and innovative solutions have been our hallmark for more than 50 years.

We earn the trust of our customers each and every day. Be confident that as your partner, our mission is to bring you brilliant solutions, every time. Our individualized customer service will ease your mind while allowing you to build your business. Corporate actions, IPOs, public and private company record keeping, escrows or stock plan administrations — we are proven leaders in every arena.

Contact Karri Van Dell | [212.845.3224](tel:212.845.3224) | ContinentalStock.com



© 2016 Continental Stock Transfer & Trust Company.
All rights reserved.

17 Battery Place | New York, NY 10004
212.509.4000 | Sales & Marketing 212.845.3224
ContinentalStock.com