

# Notes From the Chairman



## Letter From the Chairman

2015 has proven to be a momentous year for Continental. On the heels of celebrating our 50th anniversary, Continental has leapt forward on many fronts this year: We have added an unusually large number of issuers previously served by other transfer agents; and we are the only major agent in the country to dramatically increase its share of the IPO market. Clearly, our message is resonating with both small- and mid-size issuers throughout the United States: personalized, responsive service DOES indeed matter.

In addition, 2015 has been a year of rapid expansion of our corporate actions business. Continental has been a leading processor of corporate actions for the past 30 years, including handling odd-lot tenders and post-merger cleanups for most of the Fortune 200. Recently, however, Continental has started handling corporate actions processing for issuers referred by Citibank and Wells Fargo. Many of these are public companies taking over private companies in California's tech sector (e.g., Amazon, eBay,

Intel, etc.). Continental's reputation for excellence in corporate actions processing has led to our handling literally hundreds of transactions this year, and we have staffed up accordingly. We have hired senior managers with decades of corporate actions management experience, for other major agents, and the Reorganization Department team has more than doubled in size. Mark Zimkind, Cheryl Smith, Fran Wolf and Ernest Wilson are ready to serve you on even the most complex corporate action or tender offer.

To keep pace with our expansion, Continental has embarked on an aggressive platform enhancement program, which has involved major improvements to our ContinentaLink Internet shareholder/issuer module (e.g., a state-of-the-art control book system as well as real-time proxy voted/non-voted listings for issuers). We continue to work with our partners at Sungard to make changes to their/our next generation software system, Stream TA, which we project will be ready in 2017.



**Steven Nelson**  
President & Chairman  
Connect with me  
directly at 212.845.3201

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## Industry Updates

As you may remember, I sit on the Executive Committee of the Securities Transfer Association ("STA"), and co-chair its Legal Committee. During the past year we have had many discussions with DTC and with the SEC about opening up the DTC FAST electronic system to more issuers, and about insuring due process for issuers applying for FAST eligibility. With the help of the SEC in moving DTC to be more accommodative, we believe that DTC will shortly agree to open FAST up to a whole new tier of OTC issuers. We are hoping this will be done by early 2016.

Additionally, the NYSE and NASDAQ are expected to shortly propose new mandatory DRS rules for all of their new issuers. These rules will mean that newly listed issues will be book-entry only for all NYSE and NASDAQ issuers. This change too is expected by early 2016.

Finally, we have been operating under a T+3 clearance and settlement system for many years. This means that settlement of common stock and other securities settlements are generally consummated within 3 business days after the transaction

date. Industry participants, including brokers, banks, transfer agents and DTC, have been working for many years to shorten the settlement cycle to T+2, or even T+1. The theory is that shortening the settlement cycle will lead to reduced risk in the system relative to trade failures, buy-ins and other discrepancies in the way transactions are recorded. SEC Chairman White recently made public pronouncements embracing T+2 to become an operating reality in 2017. We at the STA have been working hard with other industry participants to meet the Commission's deadline. We will keep you apprised of the industry's progress in this regard; but I can tell you that the operational and platform changes required for issuers and their transfer agents will be both significant and expensive. Further details will follow as they become available.

We are proud of our significant advances and expansion in 2015. Nevertheless, we are committed to getting better each and every day to maintain our No. 1 industry ranking in serving you. Thank you for your business and your trust. ▼

“ Thank you for all your help coordinating our recent proxy vote. It's a pleasure to work with the Continental team. You guys are awesome! ”

Molly McAuliffe | Vice President, Operations  
Inventergy Global, Inc.  
A client since 2014 (formerly Computershare)

## National Change of Address ("NCOA")

Earlier this year our Distribution Services Team re-evaluated how to manage RPO (Return by Post Office) mail pieces. These mail items were being returned with postal stickers stating "Return to Sender, unable to forward" or "not deliverable as addressed." We implemented a program to run our client shareholder names and addresses through the National Change of Address database (NCOA).

NCOA is a secure dataset of 160 million permanent change-of-address records of individuals and businesses who have filed a change of address with the postal service. The database is licensed to service providers and made available to mailers. The use of NCOA is required in order to obtain bulk mail rates, as it minimizes the number of undeliverable mail, saving the mailer money.

NCOA will also indicate foreign address changes and people who have moved with no forwarding address. The addresses in the database are specifically designed to match the U.S. Postal Service requirements. The software will update old addresses through the information provided by the Postal

Service. Consumers have the option of changing their address online or filling out a form at the post office.

Shareholder accounts that have a match in the database are coded, and we send a notice to both the old address on file and the new address from the NCOA database. The notice simply states that we were notified by the U.S. Postal Service of a new address and request you return this notice signed. Once we receive the signed notice, we change the address in our database.

We started the program in June of 2015, running 20 of our clients through the NCOA database. We have a 70.4% return rate for address change notices. We are now running 20 client files a week through the program and will continue the process moving forward.

The final result will be accurate shareholder information in our database, less RPO's, higher annual meeting proxy results and less expense to our clients.

The National Change of Address system has been adopted by several countries including the US, the UK, Canada, Germany, Austria, and New Zealand. ▼

“ We have been thrilled with the service provided by Continental since we engaged the company as our transfer agent nearly two years ago. Farmer Mac’s outstanding experience with Continental all starts with the strong relationship we have with our Relationship Manager, Kevin Jennings, and filters down through each member of our account team. Our Continental team takes responsiveness to a new level and always goes above and beyond our expectations to resolve any issues and provide exceptional service. We look forward to working with the great people at Continental for many years to come. ”

Stephen P. Mullery | Senior Vice President, General Counsel  
Federal Agricultural Mortgage Corporation (commonly known as "Farmer Mac")  
A client since 2014 (formerly AST)



## Continental's 2016 Annual Meeting Guide

We are pleased to provide Continental Stock Transfer & Trust Company's Annual Meeting Guide 2016 to assist you in planning your Annual/Special Meeting.

The entire Annual Meeting Guide 2016 and our Annual Meeting Glossary of Terms can be found at [www.cstproxy.com/annualmeetingguide](http://www.cstproxy.com/annualmeetingguide).

Under the trusted Continental umbrella of proxy services, we offer a comprehensive "one-stop" solution:

- > Proxy card and material design consultation
- > Broker search services
- > Interface with the DTCC, Broadridge, plan administrators and intermediaries
- > Notice and Access and traditional material distribution (including stratified mailings and householding)
- > Online document conversion and web hosting services
- > End-to-end financial printing services, including material evaluation and verification
- > iPad & tablet-friendly online documents with industry-leading features including tiles
- > Telephone and Internet voting platforms
- > Proxy tabulation with daily online reporting
- > Management reports, such as voted and unvoted lists, that help you calibrate your strategy
- > Material storage and fulfillment
- > EDGAR & XBRL services
- > Inspector of Election
- > Invoice verification and processing
- > QR code scanning capability

Continental Stock Transfer & Trust and EZOnlineDocuments introduce a new navigational system designed for tablets: Tiles Navigation!

This tile-based interface allows users to easily select important sections of your document with their touch-based interface. Embrace all of your users on any laptop, desktop, iPad, tablet and other mobile devices. Present your document with this state-of-the-art navigation as well as other key features such as page swiping and social media integration.

Please contact Gail Schweda, Director of Proxy Services, at 212.845.3241 or [gschweda@continentalstock.com](mailto:gschweda@continentalstock.com) to discuss your meeting service needs. ▼

## Welcome Our New Talent

Continental Stock Transfer & Trust employs seasoned professionals to ensure quality service for our customers. As we continue to expand and grow, we welcome the following new employees who have joined our team this past summer and fall:

- > Meg Barner, Reorganization
- > Nathalie Mancebo, Operations
- > Robert Neff, Escheatment
- > Barbara Samuel, Accounting
- > Mercy Velez, Operations
- > Ernest Wilson, VP-Corporate Actions
- > Francis Wolf, VP-Corporate Actions ▼

## Get to Know Your Account Administrators

### Robert McMonagle

Robert has 35 years' experience in the financial industry working for three major financial organizations.

His specialty has always been customer/client service-oriented with a background in retirement plans, and most recently in the administration of SPACs.

Robert resides in Bay Ridge, Brooklyn, with his family and two cocker spaniels, Nero and Joycie, and enjoys summer barbecuing and summer activities.

### Stacy Aquí

Stacy joined Continental's compliance department in 2000. Her experience and knowledge in compliance and the regulatory field is an asset in the account administration group. She joined the client servicing team in 2013.

Stacy stays close to her clients and ensures that their needs are met on a one-to-one basis no matter what time. She has established many customer relationships through her years at Continental.

Stacy is originally from Trinidad/Tobago and currently resides in Brooklyn, NY. She travels to Trinidad every year to participate in the annual Carnivals that connect her to her culture and heritage. She spends her free time catching up on reading and enjoys the beach. ▼

## Dividend Reinvestment and Direct Stock Purchase Plans

Dividend Reinvestment Plans ("DRIPs") are a great tool for investors who want long-term investments with possible discounted prices and for issuers in that they offer low-cost access to capital. Continental offers DRIP services for different types of plans; i.e., Company sponsored, Bank sponsored or DRIPs associated with Direct Stock Purchase Plans ("DSPPs") and Employee Stock Purchase Plans ("ESPPs"). Continental uses an independent, registered broker to facilitate all buys and sells, but will also use a broker that is preferred by the issuer. As there may be buy/sell restrictions during blackout periods, Continental has the mechanics to put these rules in place as appropriate. An ESPP allows participating employees of an issuer to buy shares also at a possible discount. Employees contribute to the Plan through payroll deductions. The funds are then used to purchase shares on behalf of the employees and held electronically, including fractional shares. DRIPs and DSPPs often have min/max investment requirements, broker fees and tax reporting requirements. Our Dividend Reinvestment Department expertly manages all these features for many different companies. Enrollment for your investors is fairly easy and includes enrollment and investment options through the Internet. If you are considering adopting a plan, or want more information on how DRIPs work, please contact your account administrator. ▼





## Stock Conference

Continental sponsored the Dawson James Securities First Annual Growth Stock Conference in Jupiter, FL.

Karri Van Dell, Vice President, and Steven Nelson, President and Chairman, attended the October event. ▼



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## 2015 New Transfer Agent Customers May Through October

- > GP Investment Acquisition Corp. – NY
- > Black Knight Financial Services, Inc. – FL
- > Oritani Financial Corporation – NJ
- > Provident Bancorp, Inc. – MA
- > Easterly Acquisition Corp. – MA
- > Global Partner Acquisition Corp. – NY
- > Physiotherapy Associates Holdings, Inc. – PA
- > Orrstown Financial Services, Inc. – PA
- > T-Rex Oil, Inc. – CO
- > Waterstone Financial, Inc. – WI
- > Concordia Healthcare Corp. – Canada
- > Centrex, Inc. – NY
- > Heat Biologics, Inc. – NC
- > ChoiceOne Financial Services, Inc. – MI
- > Perpetual Federal Savings Bank – OH
- > Command Center, Inc. – CO
- > TYP Restaurant Group, Inc. – CA
- > Equity Bancshares, Inc. – KS
- > Bee Vectoring Technologies International Inc. – Canada
- > Umatrin Holding Limited – NY
- > Code Rebel Corp. – HI
- > Atlantic Alliance Partnership Corp., British Virgin Island – NY
- > JM Global Holding Co. – FL
- > RM Bidder LLC – CA
- > Double Eagle Acquisition Corp. – CA
- > Hennessy Acquisition Corp. – TX



## Take Advantage of Our Comprehensive Services

We stand ready to help your business move forward with comprehensive services customized for your company's unique needs. Connect with us to learn how we can enhance your freedom to take care of business.

- > Stock plan administration
- > Dividend & reinvestment services
- > IPO/SPAC services
- > Annual meeting & proxy services
- > Corporate action & escrow services
- > EDGAR/XBRL filing

## Connect With Continental Stock Transfer & Trust

Contact Karri Van Dell at 212.845.3224 or [kvandell@continentalstock.com](mailto:kvandell@continentalstock.com)  
or visit [ContinentalStock.com](http://ContinentalStock.com)



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