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CAROL A. GAFFNEY

January 22, 2010

To the Parties Set Forth on Schedule A

Re: **New York Power of Attorney Law**

Ladies and Gentlemen:

The Securities Transfer Association, Inc. (“STA”) is an industry trade organization, established in 1911, that represents more than 100 transfer agents nationwide who maintain in the aggregate more than 150,000,000 registered shareholder accounts on behalf of more than 15,000 issuers of securities. The transfer agents that are members of the STA are involved each day in the processing and registration of securities, and on average process well over 1 million transfers annually, whether in connection with an open market transaction, a merger, tender offer or other corporate reorganization transaction or in other contexts, as discussed further below. While it is impossible to provide a precise number with any reasonable degree of certainty, a very large percentage of these transactions have a direct nexus to the State of New York.

Pursuant to Chapter 644 of the 2008 Laws of New York (the “2009 Amendments”), Title 15 of Article 5 of the New York General Obligations Law (“GOL”) was significantly amended with respect to statutory short form Powers of Attorney, effective September 1, 2009. The STA understands that the impetus behind the 2009 Amendments largely related to estate planning concerns, and the basic purposes of the 2009 Amendments were to clarify ambiguities and fill in perceived gaps in the GOL and the statutory short form Power of Attorney concerning issues such as an agent’s fiduciary obligations and accountability to its principal, the termination of a power of attorney,

the circumstances when a third party may reasonably refuse to accept a power of attorney and the permissible exercise of an agent's authority to make gifts or otherwise transfer its principal's property. The 2009 Amendments, however, effected changes which the STA believes were considerably beyond what was intended and that could well present a significant impediment to powers of attorney used in numerous commercial transactions. Although certain bills to effect technical corrections to the 2009 Amendments have been considered by the New York Legislature, so far as we know, no formal efforts have been made to address the concerns which STA members face on a daily basis in servicing shareholders and processing securities transactions.

In addition to the typical uses of a power of attorney in the context of estates and gifts, agency relationships are pervasive in commercial business transactions. For example, real estate brokers, insurance brokers and stockbrokers are agents that uniformly act for individuals when they buy real estate, insurance policies and securities. In many, if not most, of these instances, the agent's appointment is strictly limited to carrying out a specific task, and does not include any discretionary authority over the principal's property or assets. Historically almost none of these commercial powers of attorney have been acknowledged before a notary public, and the prescribed cautionary language required by the 2009 Amendments would not be appropriate for these kind of agency relationships in which only ministerial functions are performed in accordance with the principal's instructions. The STA's concern, in particular, is that if the 2009 Amendments apply to matters involving transfer agents and are interpreted according to the plain language of the statute, securities transactions having a possible New York nexus might well come to a virtual halt.

We understand that a large number of major law firms have prepared and recently released a "White Paper" regarding interpretative issues related to the 2009 Amendments (the "White Paper"). The White Paper, a copy of which is enclosed, discusses the applicability of 2009 Amendments to, among other things, proxies for shares of corporations, certain powers of attorney executed in connection with the registration of transfers of certificated securities and powers of attorney granted in connection with the formation and governance of business entities other than those formed under the laws of the State of New York, and expresses an urgent need for reform of the GOL in many respects. The STA strongly endorses both the rationale and the description of the issues covered by the White Paper. While we do not see the need to repeat the analysis and arguments set forth in the White Paper, we wish to bring to your attention just a few of the most important examples affecting STA members that arise from the 2009 Amendments. Additionally, the essential purpose of the White Paper is to enable legal practitioners to reach a consensus as to the interpretation of the 2009 Amendments, rather than to provide absolute certainty and clarity that can only be effected through the adoption of legislation. The STA and its members believe that it is imperative that such legislation be enacted as soon as possible.

There are at least four major contexts in which transfer agents regularly deal with powers of attorney in the ordinary course of business. First, as discussed above, the core business of a transfer agent is to process and register transfers of securities. Most often,

this involves a typical transaction in which certificated securities are sold in the open market. As discussed in the White Paper, when this occurs, in order to complete the transfer in accordance with the Uniform Commercial Code and applicable law and custom, the transferor must execute either the endorsement on the reverse side of the securities certificate or a separate stock power which serves the same purpose as the endorsement. In the language that virtually universally appears in endorsements on the back of stock certificates and in stock powers, and as required by the rules of the New York Stock Exchange, the registered owner of the stock appoints a person to act as his or her attorney-in-fact for purposes of transferring the stock on the issuer's books and records. If the 2009 Amendments are applied according to their literal language, however, unless all the requirements set forth in the GOL are met, a substantial risk exists that the appointment contained in an endorsement or stock power executed by an individual in New York might well not be effective.

Second, in tender offers, mergers, exchange offers and other corporate reorganization transactions, a shareholder that holds stock in a company that is being acquired or merged out of existence typically is required to surrender his or her stock certificates, together with a Letter of Transmittal, to an agent in order to exchange his or her shares in the target company for shares issued by the acquiring or surviving company and/or other consideration. Generally, such Letters of Transmittal contain language in which the shareholder appoints one or more attorneys-in-fact to effect the exchange of his or her shares and take other actions. Literally read, the 2009 Amendments would seem to purport to require the powers of attorney contained in such documents to conform to the requirements of the GOL provisions.

Third, when a corporation engages in an initial public or secondary offering of stock in which previously outstanding shares that are held by certain shareholders are being sold to the public, the stock that is so offered is often deposited with a transfer agent that holds the stock as custodian pending closing of the public offering and delivery of the stock to the underwriters. Transfer agents that act as custodians in such contexts typically agree to accept instructions regarding delivery of the stock from one or more individuals that are named as attorneys-in-fact by the selling shareholders. Again, if executed by an individual in New York, there is a significant question as to whether such powers of attorney will have to comply with the 2009 Amendments.

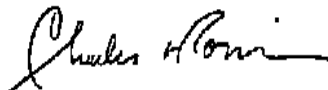
Fourth, proxies submitted in connection with voting at a shareholder meeting virtually universally involve the shareholder appointing individuals designated by management (or in the case of proxy fights, dissidents) to act as the shareholder's attorney-in-fact for purposes of voting the shares at the meeting in accordance with the shareholder's instructions as indicated in the proxy card. The White Paper contains an extensive discussion and analysis arguing why the 2009 Amendments should not apply to such proxies. However, the STA and its members are concerned that unless legislation is enacted to clarify this, entities that are involved in handling proxies might be incurring serious risks unless the proxies comply with the language of the 2009 Amendments.

While there are other instances in which the activities of transfer agents and the stock market would be affected by the 2009 Amendments, these examples demonstrate how significant the problem is. It is important to bear in mind that in each of these instances, the attorney-in-fact is merely engaging in ministerial functions to implement the specific instructions of the shareholder, and does not have discretionary authority over any of the shareholder's property or assets. What makes the situation particularly difficult from the perspective of a transfer agent is that the transfer agent itself nearly always does not know where a power of attorney was executed. For example, it would be possible for an individual who is not a New York resident to execute a power of attorney within the State of New York, in which case the 2009 Amendments by their terms would apply. Conversely, a New York resident might well execute a power of attorney outside the State of New York, in which case the 2009 Amendments would not govern the power of attorney. In these instances, typically the transfer agent would not have any means of determining whether or not the power of attorney should have complied with the 2009 Amendments, assuming that they were intended to apply in the cases described in this letter.

The concern of the STA and its members is that if Title 15 of Article 5 of the GOL is not amended to clarify that the 2009 Amendments are not intended to apply, and do not apply, to powers of attorney along the lines described herein, transfer agents, stockbrokers and others involved in the securities industry and in securities processing activities will be placed at great risk relating to compliance with these requirements. We do not feel that it is either prudent or appropriate to force the securities processing industry to rely on interpretations such as those offered in the White Paper which do not carry the force of law and, while being very persuasive in our view, could possibly not be accepted if challenged in court. Accordingly, the STA respectfully submits that it is critical for the New York Legislature to act promptly in amending the GOL to address these concerns. Enclosed for your consideration is a suggested draft of a bill to amend the GOL in a manner that is intended to prevent the problems discussed in this letter.

The STA thanks you for your attention in this matter. We would be happy to meet with the appropriate people to discuss this further or answer any questions you may have.

Sincerely,



Charles V. Rossi
President
The Securities Transfer Association, Inc.

SCHEDULE A

Senator Malcolm A. Smith,
Temporary President and Chairman, Senate Rules Committee

Senator George Onorato,
Assistant Majority Leader/Liaison to the Executive Branch

Senator John L. Sampson,
Democratic Conference Leader

Assemblywoman Helene E. Weinstein,
Chairperson, Assembly Judiciary Committee

Rose Marie Bailly, Esq.,
Executive Director, New York State
Law Revision Commission

AN ACT to amend the general obligations law, in relation to powers of attorney.

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 5-1501B of the general obligations law, as added by chapter 644 of the laws of 2008, is amended to add a new subdivision 5 thereto, to read as follows:

5. Nothing in this title shall be construed to apply to, or to bar the use of any other or different form of power of attorney desired by a person, including without limitation an individual, as the term person is defined in section 5-1501 of this title, with respect to a power of attorney that relates to the appointment by a principal of an agent in connection with (a) the transfer and/or registration of securities held by the principal, including without limitation a power of attorney that authorizes an agent to deliver or give instructions with respect to securities held by the principal being sold in a public offering, (b) an exchange of securities pursuant to a tender offer, merger, exchange offer, binding share exchange or other similar transaction in which securities held by the principal are surrendered in exchange for other securities of the same issuer, securities of a different issuer and/or other consideration, or (c) a proxy or an appointment of authority granted to an agent to vote or exercise a right to consent on behalf of a principal with respect to securities issued by a domestic or foreign corporation or securities issued by or other interests in a domestic or foreign partnership, limited partnership, limited liability company or other business organization, in accordance with instructions set forth in such proxy or appointment.

Section 2. This act shall be deemed to have taken effect as of September 1, 2009.