



March 14, 2006

Dear New York County Boards of Elections:

It has recently come to our attention that misinformation about Sequoia Voting Systems and its parent company Smartmatic Corporation has been circulating in a letter from Richard D. Emery to the Hon. Gary L. Sharpe of the U.S. District Court for the Northern District of New York. We understand that a copy of this letter has also been shared with County Boards of Elections, and therefore we want to take a moment to set the record straight on Sequoia.

The following statement appears in the above referenced letter: "Adequate time is also required to review proposed vendors of the systems (at least one of whom, Sequoia Voting Systems, is part of a foreign conglomerate hostile to the United States)." Please find below a brief summary of the key facts about our company's history.

**Sequoia is an American Company** – As a leading provider of voting solutions and services in the United States for over a century, Sequoia Voting Systems is a U.S. company based in Oakland, California, incorporated in Delaware, and pays all appropriate Federal, State and Local taxes.

**Sequoia's New York History and Commitment** - Sequoia's history in the elections industry began 114 years ago in 1892 with the invention of the lever machine by the founder of the Automated Voting Machines (AVM) Company in Jamestown, New York. We have a proven track record in New York State with our AVC Advantage customers in Franklin County (Town of Burke) and Saratoga County (Town of Clifton Park and Town of Halfmoon). In addition, we have been successfully providing New York City's Absentee Voting System for all five boroughs since 1999. Sequoia has a major company facility in Jamestown and our voting equipment is manufactured in New York State by our two contract manufacturers - Jaco Electronics in Hauppauge and Harvard Custom Manufacturing in Owego. We also have a strong Value-Added Reseller (VAR) relationship with Phoenix Graphics of Rochester.

**Sequoia's Ownership** – On March 8, 2005, Smartmatic International Corporation, a privately-held Delaware corporation, acquired Sequoia Voting Systems from De La Rue Inc., a wholly owned subsidiary of De La Rue PLC (DLAR on the London Stock Exchange). The name of Smartmatic International Corporation was subsequently changed to Smartmatic Corporation, and it remained a Delaware company.

As a leading global provider of voting services and solutions, Smartmatic has an international ownership structure comparable to other multinationals. Specifically, Smartmatic Corporation is a unit of Smartmatic International Holding, B.V., a Netherlands-based business. Smartmatic International Holding is a unit of Smartmatic International Group, N.V., Curacao. The structure is designed to allow Smartmatic to function efficiently and effectively in vastly different markets and regions around the world.

The leading investors in Smartmatic International Group are founder and Chief Executive Officer Antonio Mugica and his father. Mr. Mugica and his father have Spanish and Venezuelan citizenship. Other investors include the Company's senior executives and family members. The Venezuelan government neither currently holds nor has ever held an ownership stake in Smartmatic.

We hope this letter has been helpful in providing accurate information regarding our company. If you have any further questions, please contact Howard Cramer, Vice President of Sales at [hcramer@sequoiavote.com](mailto:hcramer@sequoiavote.com) / 888.421.7260 or Michelle Shafer, Vice President of Communications and External Affairs at [mshafer@sequoiavote.com](mailto:mshafer@sequoiavote.com) / 800.347.4702.

Sincerely yours,

Jack A. Blaine  
President  
Sequoia Voting Systems – Smartmatic Corporation