

# Small Shareholder/ Odd-Lot Programs

*Reducing Shareholder Servicing Costs Makes Sense*



## Small Shareholder Programs

Mellon Investor Services can expertly manage all your Small Shareholder/Odd-Lot Program needs.

## Related Services

- Information Agent
- Corporate Actions
- Communications and Call Center Services
- Proxy Solicitation
- StockWatch
- Printing and Logistics
- Transfer Agent and Record Keeping
- Tombstone and Media Placement

Mellon Investor Services offers issuers aggressive proactive plans to help small shareholders cost-effectively divest or increase their current holdings.

Mellon Investor Services will tailor a program to fit your needs and the reality of addressing these holders.

Small Shareholder Programs offer odd-lot shareholders (shareholders with accounts of fewer than 100 shares) an attractive vehicle to modify their accounts, and provide issuers with a cost-effective money-saving program that reduces shareholder servicing costs.

We understand that there is no “one size fits all” approach to small shareholder programs and we work closely with clients to create a program tailored to address the needs and concerns of the target group.

## Mellon Investor Services' Approach

Understanding the target population is critical to developing an effective campaign. Mellon Investor Services will research and analyze the qualifying population to determine the optimum target group. We then develop a clear description of the program that allows shareholders to understand their choices and make their decisions. We provide a toll-free number for shareholders to call for answers to their questions and additionally transact their sales through our Interactive Voice Response system. Mellon Investor Services can also conduct a calling campaign to the eligible population that increases their understanding of the program and provides them the ability to complete a sales transaction during the call.

## Program Outlines

Below are traditional approaches to odd-lot programs offering a base from which to craft an efficient and cost-effective program:

- *Market Resale* ~ In a direct market resale, the company uses Mellon Investor Services as an agent to accumulate shares into round lots and these are sold in the market in large blocks. No direct funding for share purchase is required by the company.
- *Share Repurchase* ~ A straight buyback or treasury repurchase requires that shares be purchased directly from the shareholder with funds provided by the company.
- *Round-Ups* ~ Odd-lot shareholders are offered the opportunity to make an additional purchase to bring their holdings up to one hundred shares. This feature allows serious investors to increase their investment while providing an opportunity for “accidental” or nominal holders to sell all their shares.
- *Threshold Plans* ~ Threshold Plans are offered only to shareholders within specific share ranges, for example, shareholders with fewer than 25 shares.
- *Fees* ~ Fees may also be handled in a variety of ways. Your company can assume the entire cost of the buyback; you may pass the cost on to the shareholders; or the costs may be split between your company and the shareholder.



**Mellon**

A Wealth of Solutions™

Mellon Investor Services  
85 Challenger Road  
Ridgefield Park, New Jersey 07660  
[www.melloninvestor.com](http://www.melloninvestor.com)

Sales 888.647.8889

## Regional Offices

Atlanta, Chicago, Dallas, Hartford,  
Los Angeles, New York, Pittsburgh,  
San Francisco, Seattle, St. Louis

# Small Shareholder/ Odd-Lot Programs

*Reducing Shareholder Servicing Costs Makes Sense*

## **Why Mellon Investor Services?**

As Transfer Agent for over 2,000 public companies we understand the rewards and challenges of conducting an Odd-Lot Program. This is precisely why we have assembled a team of seasoned professionals to provide our clients with a turnkey Odd-Lot Program. From drafting, production and mailing of materials, to communication center services, to the actual processing and settlement of shareholders instructions, Mellon Investor Services has you covered.

You can rest easy knowing we will promptly issue checks for cash proceeds and furnish transaction statements to all your participating shareholders. Our highly trained staff is available to answer your shareholders' questions. And, if Mellon Investor Services is your Transfer Agent, certificate cancellation and accurate and timely database management are always part of the service – a key point often overlooked.

## **Client Benefits**

- *Reduce Shareholder Servicing Costs* ~ Industry surveys have put the cost of servicing shareholder accounts at nearly \$20 per account annually. Reducing these types of holders has both an immediate and a cumulative effect on shareholder servicing costs.
- *Provide Low- or No-Cost Exit Strategy for Small Shareholders* ~ The program can be structured to allow shareholders to sell their shares at no cost or considerably lower cost than selling through a broker.
- *Managing Shareholder Reaction* ~ Offering a “round-up” feature will give small shareholders the additional option to increase their holdings to 100 shares. By providing the option to either purchase or sell shares, adverse shareholder reaction is more easily managed.
- *Full Service* ~ From information distribution and shareholder communications to broker dealer and transfer agent services, Mellon Investor Services has the experience and ability to design and facilitate every aspect of the Odd-Lot Program.
- *Quality* ~ Mellon Investor Services has repeatedly been ranked first among its peers by independent quality surveys, including Group Five, Inc. and Stockholder Consulting Services. This prestigious recognition underscores the fact that Mellon Investor Services understands both issuers and their shareholders.
- *Tailored Programs* ~ Mellon Investor Services has the experience and expertise to help clients implement the most appropriate program to achieve their corporate goals, including traditional and targeted offers, market resales and round-up program needs.